

**Year-End 2019:
Shared Vision. Shared Commitment.**

November 19, 2020

Agenda



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Background

**What We
Own & Owe**

**What We Earned &
Spent**

Our Story

Our Financial Statements



Key components of the City's financial statements (FS) include:

Why are the FS so important?

They provide a way to understand how operational activities translate into the City's financial results.

1

Statement of Financial Position

- What we own & owe
- Key metric: net debt

2

Statement of Operations

- What we earned & spent
- Key metric: annual surplus

3

Statement of Cash Flows

- What did we do with our cash?

4

Notes to the FS

- Details of the City's financial activities

Statement of Financial Position: Overview



This Statement captures:

← What we own →



+



=

What we owe



+

Our past performance



Purpose:

- Resources used to settle obligations

Example:

- Cash
- Investments

Purpose:

- Resources used to provide services

Example:

- Inventory
- Tangible capital assets

Purpose:

- Obligations that need to be discharged

Example:

- Accounts payable
- Long-term debt

Purpose:

- Past surpluses/deficits (i.e. not cash)

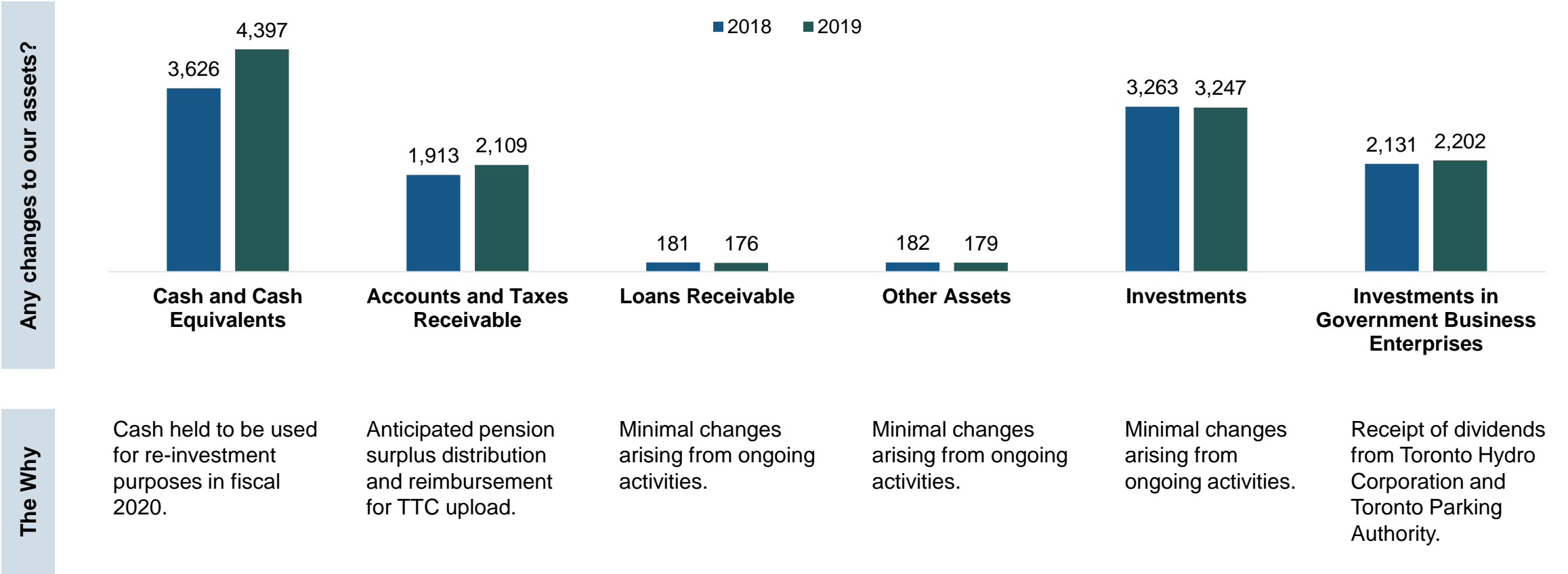
Example:

- Reserves and reserve funds

Statement of Financial Position: Highlights



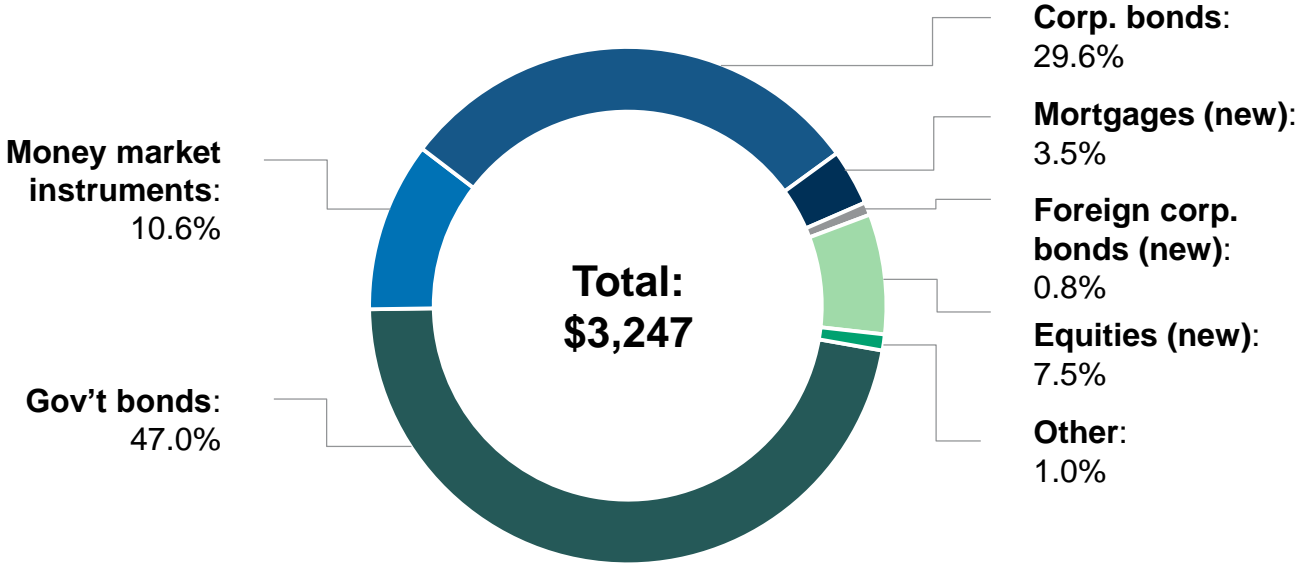
Financial assets (2019: \$12,310M)



Statement of Financial Position: Investments



The City's investment portfolio became more diversified in 2019 in response to the implementation of our new investment strategy and standards. External fund managers were also used throughout the year to manage the City's investments.



Other key details:

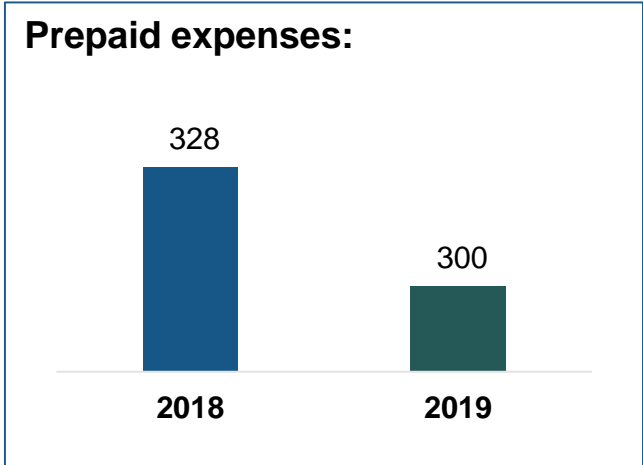
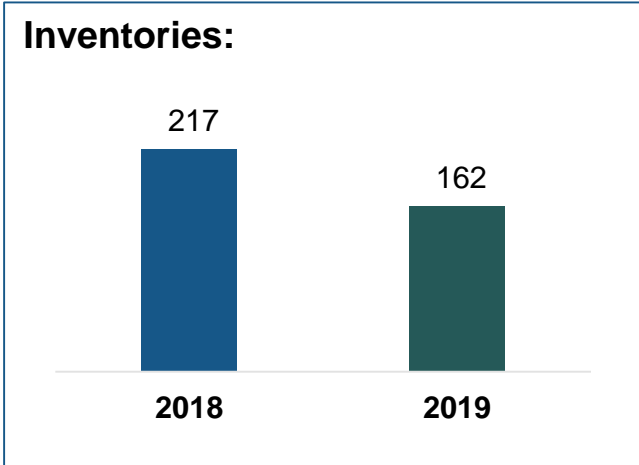
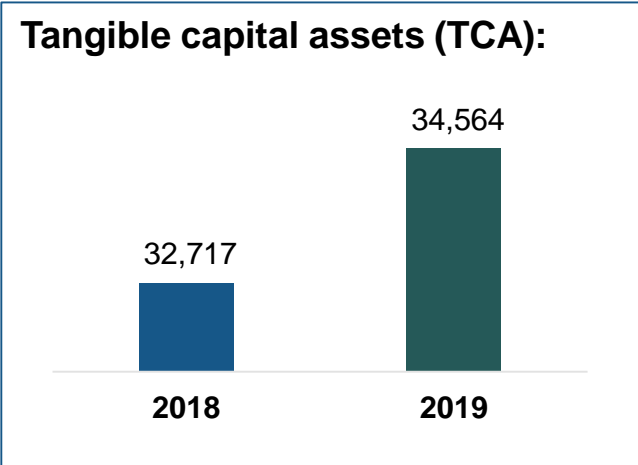
- Return on capital earned:
 - Long-term fund: 6.3%
 - Short-term fund: 2.4%
 - Total: 4.3%
- Total earned income: \$267.3M

Statement of Financial Position: Highlights (Cont.)



Non-financial assets (2019: \$35,026)

What do we own?



Any big changes?

Continued acquisition, construction, and development of capital assets to address aging infrastructure, as well as need for increased services.

5.3% increase in capitalized assets, offset by 4.7% increase in amortization.

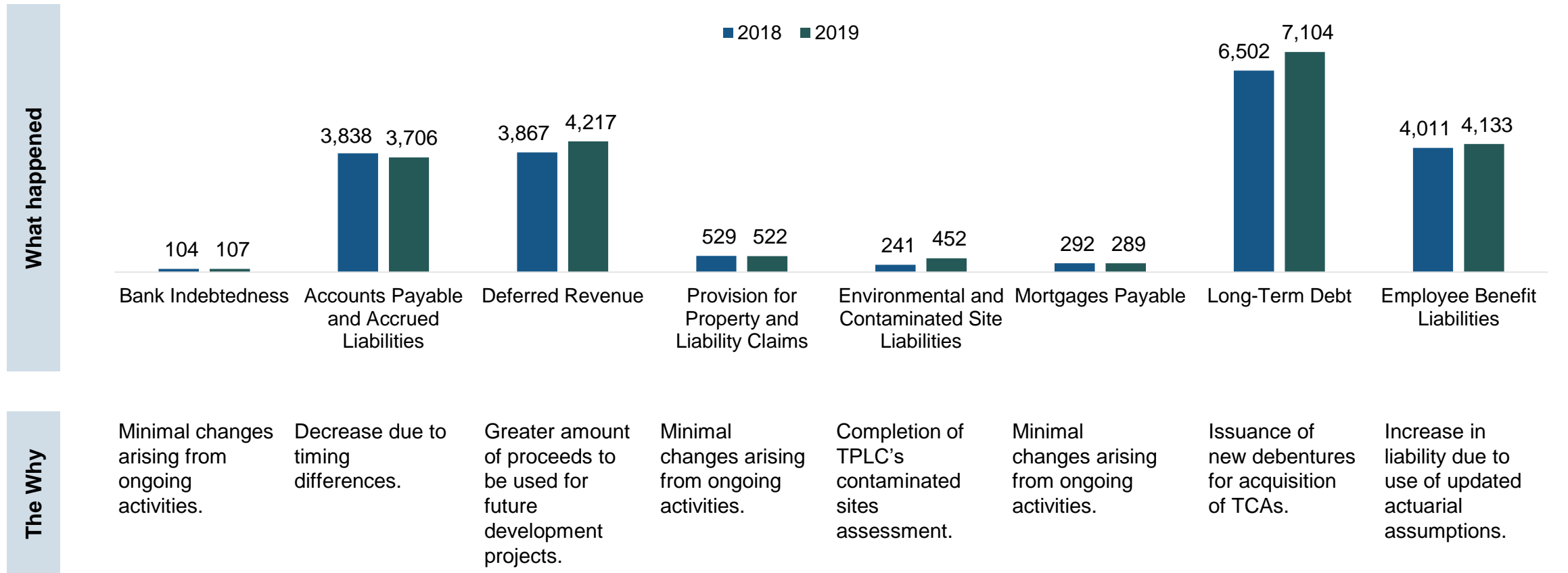
Sale of Toronto Port Land Company's inventory during the year.

Reduction of prepaid expenses due to timing differences during the year.

Statement of Financial Position: Highlights (Cont.)



Liabilities (2019: \$20,530)



Statement of Financial Position: Long-Term Debt



We only use debt for the City's capital investments:

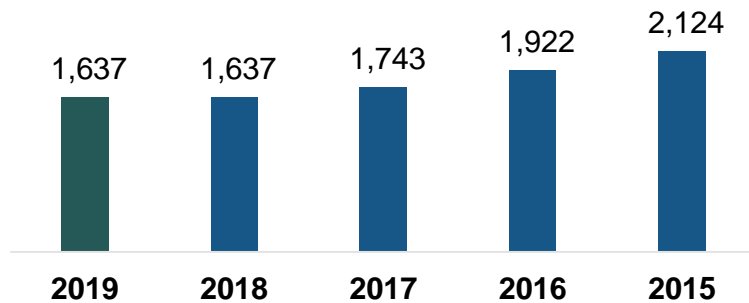


Capital projects that achieve **environmental sustainability**.



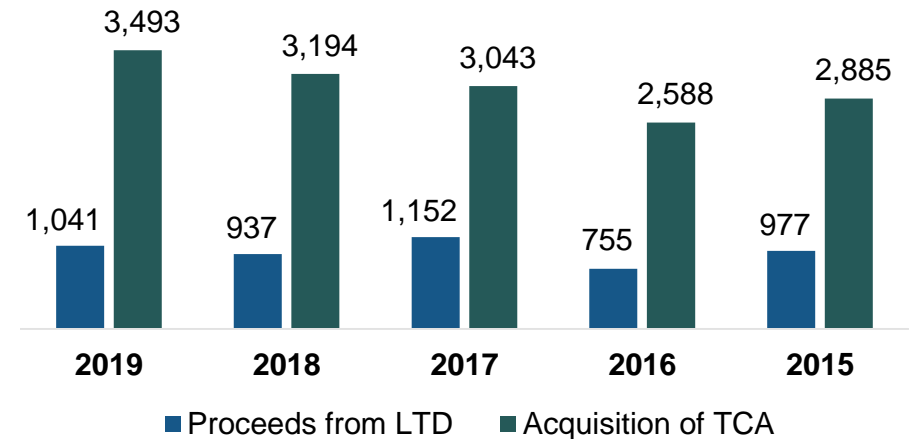
Capital projects that support the City's **service delivery**.

The City maintains sinking funds in order to finance debt repayments:



4.8% of the City's revenues are used to pay for debt costs.

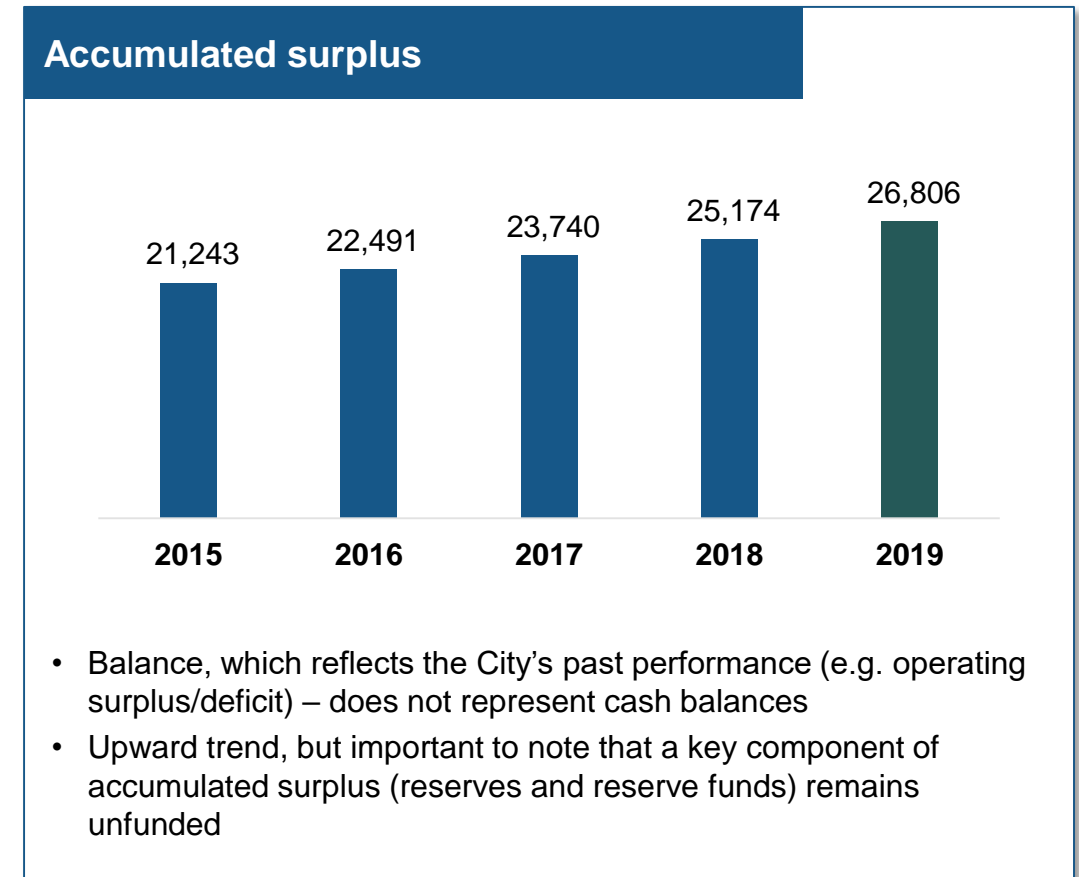
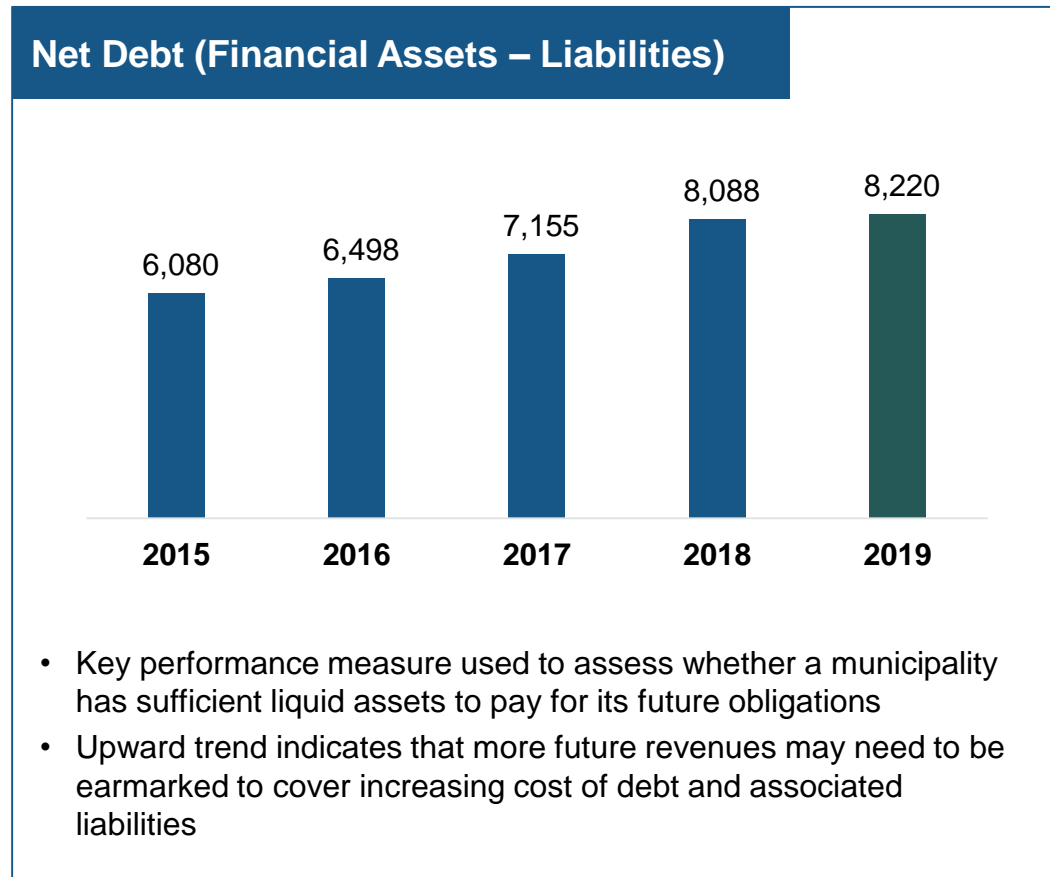
Here's the relationship between new debt that is issued versus the cost of our additions for TCA:



Our long-term debt proceeds as a % of additions for TCA are as follows:

Avg.	2019	2018	2017	2016	2015
32%	30%	29%	38%	29%	34%

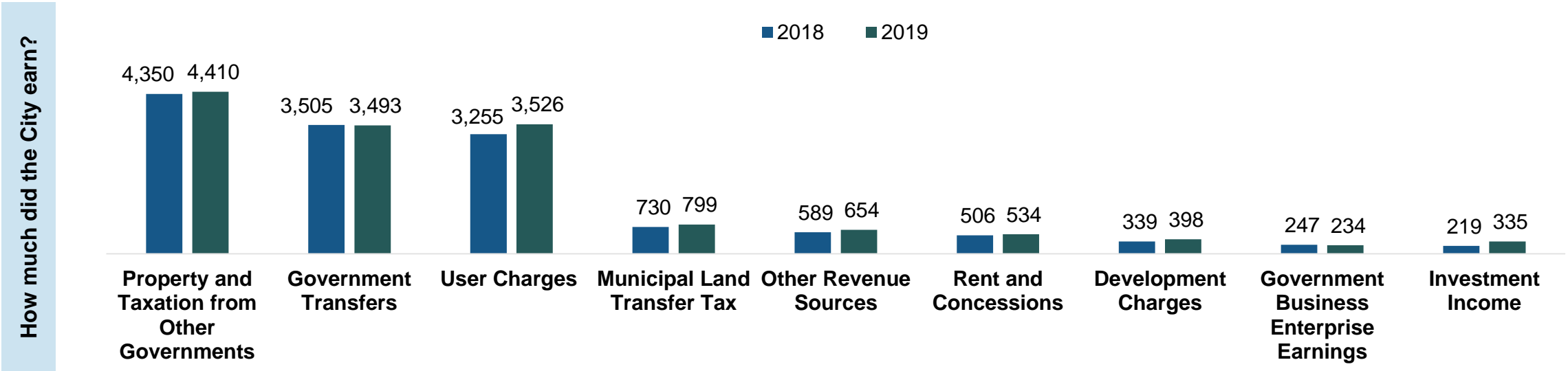
Statement of Financial Position: Key Balances



Statement of Operations: Revenues



Total Revenues (2019: \$14,383)



Overall Why

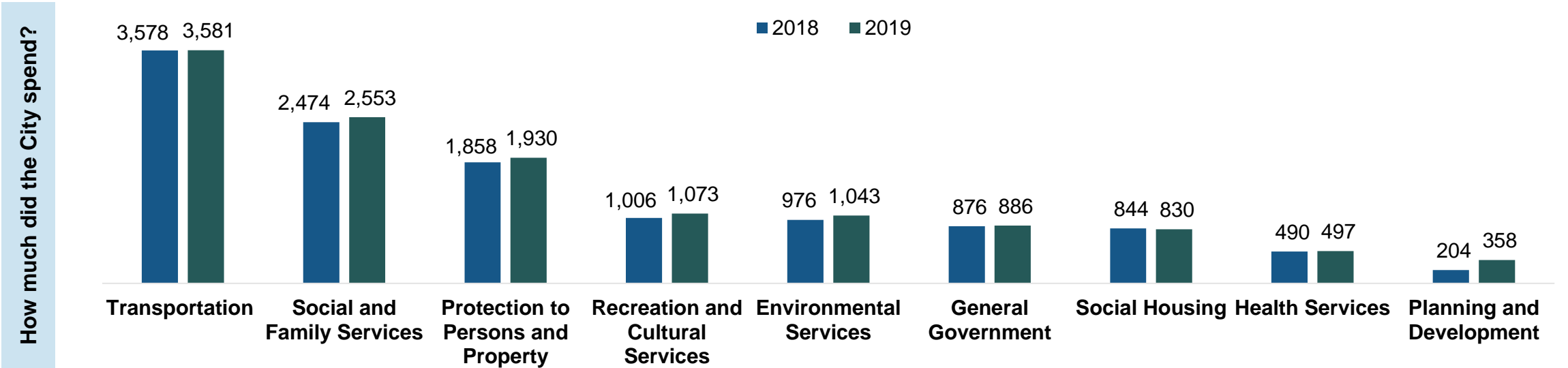
Revenues increased by \$0.6M in 2019 when compared to 2018. The largest drivers for the overall increase are:

- Increase in overall property tax rates (i.e. 1.8%)
- Recognition of the City’s anticipated pension surplus distribution (\$106M)
- Use of development charges on eligible capital projects
- Non-recurring gains increased for investment income during transition of the City’s investments to external investment managers

Statement of Operations: Expenses



Total Expenses (2019: \$12,751)

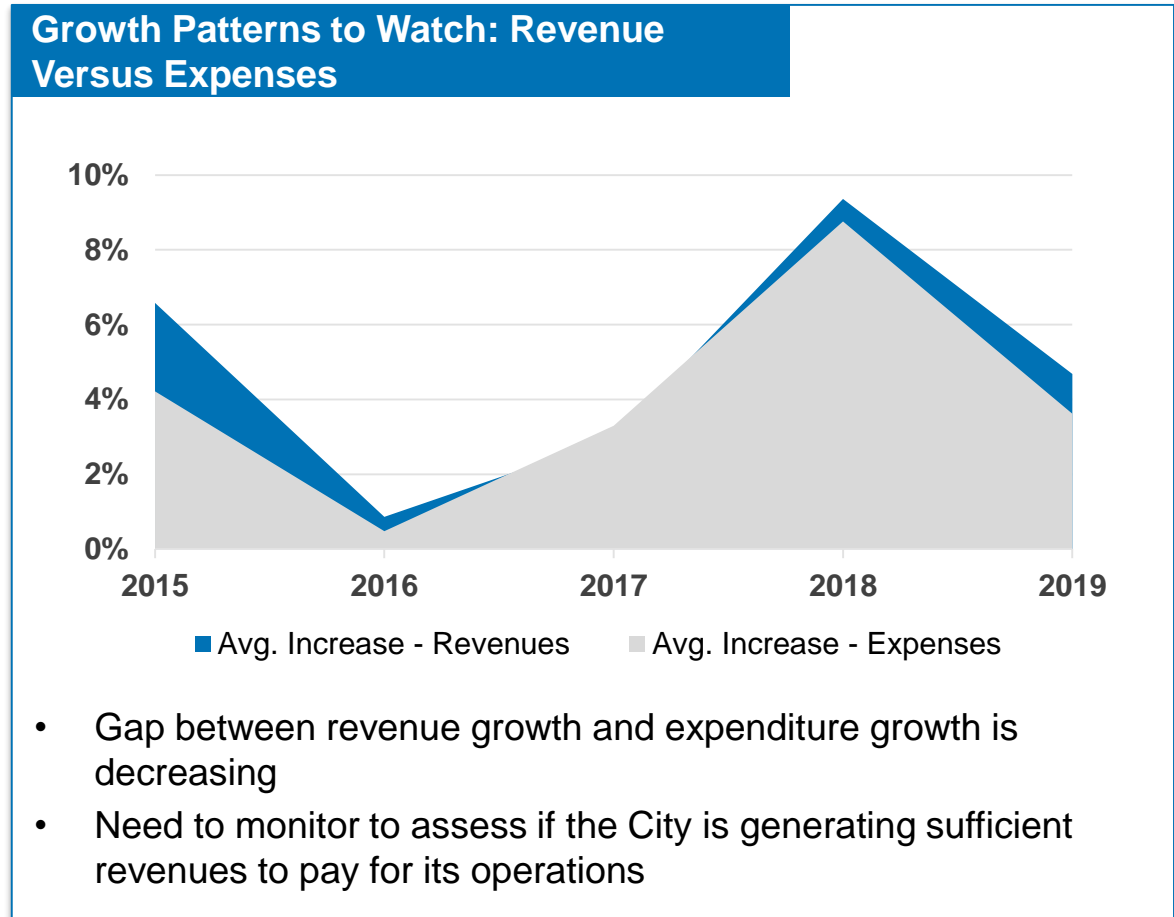
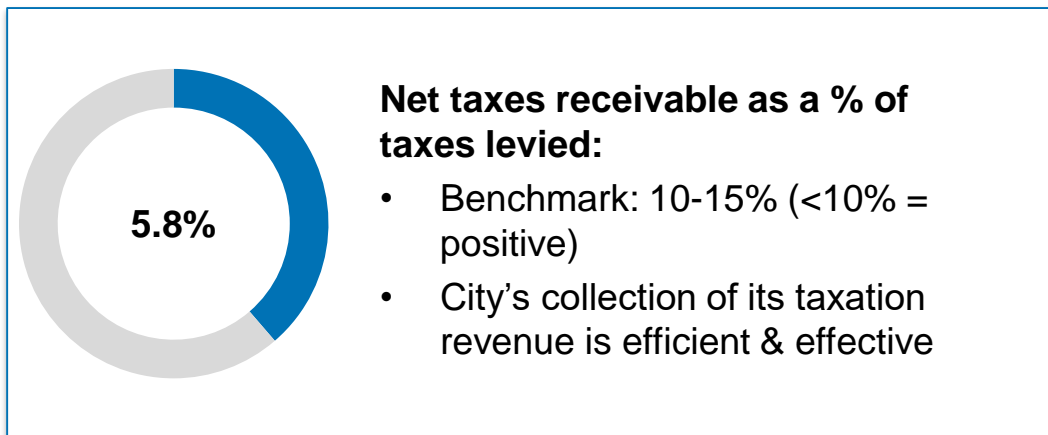
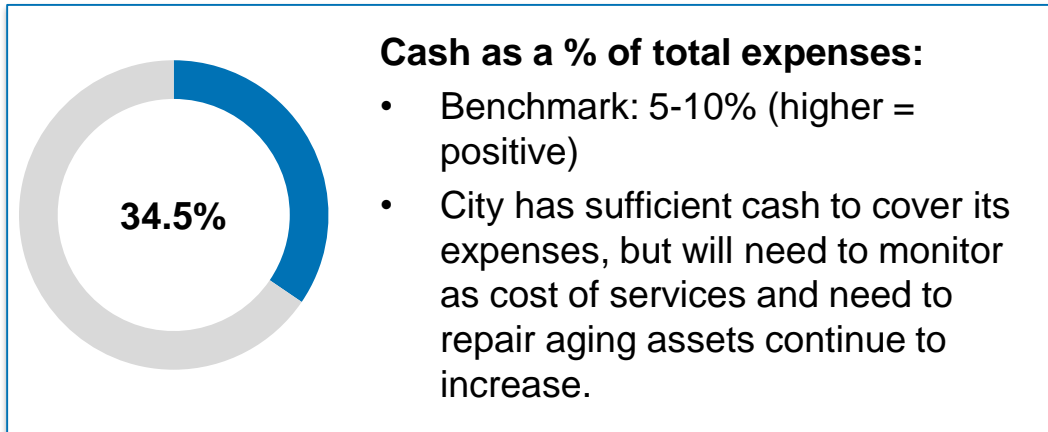


Overall Why

Expenses increased by \$0.4M in 2019 when compared to 2018 as a result of:

- Greater repair and maintenance costs associated with aging infrastructure
- Increased staffing costs arising from offering of new and/or expanded services, settlement of collective agreements, cost of living adjustments, and new legislative requirements
- Increase in expenditures due to completion of TPLC’s contaminated sites assessment, as well increased provision of social support and shelter services

Statement of Operations: Other Key Findings



Our Story: Annual Financial Report



Our Annual Financial Report contains more than the City's financial statements.



Operational & financial updates

- Our Achievements**
- Spotlight on services provided in 2019
 - In-depth review of annual financial results



Climate metrics and disclosures

- TCFD Journey**
- Update on the City's implementation of the Task Force on Climate-Related Financial Disclosures



Statistical information

- Additional Details**
- Variety of information ranging from city demographics to financial details

Thank you. Any questions?